

EXHIBIT 54

In the Matter Of:

RE: GOOGLE ANTITRUST LITIGATION 60-516110-0004

JONATHAN BELLACK

October 02, 2020



1	1	1	3
2		1	APPEARANCES OF COUNSEL: (Continued)
3		2	For Google, Inc.:
4	IN RE: GOOGLE ANTITRUST LITIGATION	3	AXINN VELTROP AND HARKRIDER
5	60-516110-0004	4	BY: JOHN D. HARKRIDER, ESQ.
6		5	DANIEL S. BITTON, ESQ.
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15	** HIGHLY CONFIDENTIAL **	14	725 Twelfth Street, N.W.
16	REMOTE DEPOSITION OF	15	Washington, D.C. 20005
17	JONATHAN BELLACK	16	202.434.5341
18	FRIDAY, OCTOBER 2, 2020	17	jpitt@wc.com
19		18	Also Present:
20		19	Tor Winston, U.S. DOJ Research Economist
21		20	Seumas Macneil, U.S. DOJ Paralegal
22		21	Specialist
23		22	Shaudy Danaye-Armstrong, Esq., In-House
24		23	Counsel for Google
25		24	Alexander Bergersen, Esq., In-House
		25	Counsel for Google
			Kevin Montgomery, Deposition Monitor
Reported in Stenotype by:			
Cody R. Knacke, CSR No. 13691			
Job No.: 2020-91376			
2	2	4	4
1	REMOTE DEPOSITION OF JONATHAN BELLACK, taken	1	I - N - D - E - X
2	before Cody R. Knacke, CSR No. 13691, a Certified	2	EXAMINATION BY:
3	Shorthand Reporter for the State of California, with	3	BY MR. TESLICKO
4	principal office in the County of Los Angeles,	4	AFTERNOON SESSION
5	commencing on Friday, October 2, 2020, at	5	
6	10:07 a.m., EST.	6	E - X - H - I - B - I - T - S
7		7	DEPARTMENT'S DESCRIPTION
8	(All Appearances Via Videoconference)	8	Exhibit 1 United States
9	APPEARANCES OF COUNSEL:	9	Department of Justice Civil
10	For the United States Department of Justice:	10	Investigative Demand 30419
11	UNITED STATES DEPARTMENT OF JUSTICE	11	Exhibit 2 Slideshow titled "Sellside
12	ANTITRUST DIVISION	12	Monetization and Search
13	BY: DAVID TESLICKO, ESQ.	13	Distribution QBR Q1 2018," Bates
14	SEAN CARMAN, ESQ.	14	Nos. GOOG-DOJ-04442323-04442372
15	AARON HOAG, ESQ.	15	Exhibit 3 E-mail correspondence dated
16	450 Fifth Street, N.W.	16	6/22/2015, Bates Nos.
17	Washington, D.C. 20530	17	GOOG-TEX-00116043-00116048
18	202.307.0924	18	Exhibit 4 Document titled "What are the
19	david.teslicko@usdoj.gov	19	guiding principles and
20	aaron.hoag@usdoj.gov	20	approaches for our publisher
21	sean.carman2@usdoj.gov	21	strategy, given the ecosystem
22	For the State of Texas Office of the	22	changes?", Bates Nos.
23	Attorney General:	23	GOOG-DOJ-04004392-04004402
24		24	Exhibit 5 E-mail correspondence dated
25		25	10/12/2016, Bates No.
			GOOG-TEX-00083149
			Exhibit 6 E-mail correspondence dated
			9/25/2016, Bates Nos.
			GOOG-TEX-00093228-00093230
			Exhibit 7 E-mail correspondence dated
			7/11/2018, Bates No.
			GOOG-DOJ-13415081
			Exhibit 8 E-mail correspondence dated
			9/6/2016, Bates Nos.
			GOOG-DOJ-10634461-10634472

<p style="text-align: right;">141</p> <p>1 this point in time they were -- I just want to be 2 clear about what you're referring to. 3 Q. So sure, sure. 4 For DFP, when it selected a winning line 5 item within the ad server, what price did the 6 advertiser pay? 7 A. When it -- when DSP selected a line item, we 8 had no way to know what the advertiser would actually 9 pay. 10 As I mentioned, the price record in DSP was 11 declared by the publisher, and we had no 12 participation or visibility into the actual exchange 13 of monies. 14 So, you know, we would -- whatever we 15 picked, we had no idea how much money was actually 16 transacting. And, frankly, there were some 17 publishers that didn't enter their price at all. 18 They didn't consider it important. 19 If you're talking about the Ad Exchange, the 20 Ad Exchange had to identify who the winner of that 21 particular round of decisionmaking was and tell them 22 how much money they needed to pay to the Ad Exchange, 23 and then the Ad Exchange would pay the publisher the 24 money from there. 25 Q. And if an advertiser getting through the Ad</p>	<p style="text-align: right;">143</p> <p>1 precise, if you reversed that, if the manual line 2 item was booked claiming \$3, and Ad Ex only had a 3 price of \$2, Rubicon would win. 4 In reality, it might be that Rubicon only 5 could have paid \$1, but they would still get that 6 impression. 7 So the publisher would actually make less 8 money than they could have made if Ad Ex had known 9 that Rubicon was only going to pay \$1. 10 Q. Are you familiar with the term "dynamic 11 allocation"? 12 A. Yes. 13 Q. What was dynamic allocation? 14 A. More or less what we just discussed, that 15 the Ad Ex auction would also be able to see what the 16 price of the line items was when making its decision 17 about who won and what to serve. 18 Q. And sequentially, did the Ad Ex auction 19 occur after DFP had selected the highest line item to 20 beat? 21 A. I cannot recall the exact sequence because I 22 cannot recall if sometimes for efficiency purposes 23 Ad Ex buyers would be called when DFP was still 24 figuring out if there was an opportunity for a 25 remnant line item to serve or not. Sorry. This has</p>
<p style="text-align: right;">142</p> <p>1 Exchange was selected to serve the advertisement or 2 given slot, how is the price determined that the 3 publisher would receive for that ad slot? 4 A. I do not recall all of the details of how 5 that was determined. Generally, if you're talking 6 about second price versus first price, it was 7 generally second price. 8 Q. And what is your understanding of second 9 price? 10 A. If -- let's take it really simply. If there 11 are two participants in an auction, and one of them 12 bids \$3 and the other bids \$2, the person who bids \$3 13 wins, but it only pays either \$2 or \$2 and a penny -- 14 there are variations. I'm not an auction expert, 15 but, generally, that's what it means. 16 So if that higher person bid \$20 and the 17 second bid was \$2, they'd still only pay \$2 or 18 slightly more. 19 Q. So taking your example, Mr. Bellack, if 20 Ad Ex bid \$3, and a third-party, SSP, had a line item 21 in DFP, say Rubicon, that bid \$2, what price would 22 Ad Ex pay for the particular impression? 23 A. I don't recall exactly what it was. It was 24 either \$2 or slightly more than \$2. I would just 25 like to point out, though, that because it wasn't</p>	<p style="text-align: right;">144</p> <p>1 been a while. I don't remember all the details. 2 Q. Based on what you do recall, when Ad Ex was 3 called, did Ad Ex bidders receive information on the 4 price of the highest available line item? 5 A. I cannot recall. 6 Q. Do you have any recollection of whether that 7 did or it did not happen? 8 A. I can't recall, because that would have 9 meant whether they got information about that as a 10 floor price to beat, and I just don't recall if that 11 was in there or not. 12 Q. Are you familiar with the term "last look"? 13 A. Yes. 14 Q. Is that different than dynamic allocation? 15 A. It's been a long time. I cannot recall 16 enough to answer that question definitively. 17 Q. Do you have an understanding of what the 18 term "last look" means? 19 A. The publishers that would use that term 20 tended to refer to it to this notion that the Ad Ex 21 auction could incorporate the price of a manually 22 booked line item into the determination of who won 23 the auction. 24 Q. Was that a correct understanding by the 25 publishers?</p>

<p style="text-align: right;">145</p> <p>1 A. To my recollection, yes.</p> <p>2 Q. I want to make sure I understand some of</p> <p>3 what we talked about on -- actually, one more</p> <p>4 question on dynamic allocation before we wrap up on</p> <p>5 that.</p> <p>6 Was dynamic allocation turned on</p> <p>7 automatically for DFP publishers?</p> <p>8 A. I can't recall how dynamic allocation got</p> <p>9 started, because that was before I was responsible</p> <p>10 for the Ad Exchange. I would say at the time I</p> <p>11 became responsible for the Ad Exchange, I generally</p> <p>12 understood that that was how the ad decision logic</p> <p>13 worked.</p> <p>14 Q. I want to make sure I'm understanding you</p> <p>15 correctly.</p> <p>16 Your understanding was that dynamic</p> <p>17 allocation was used as part of the standard decision</p> <p>18 logic within DFP?</p> <p>19 A. Yes.</p> <p>20 Q. Do you know if publishers could turn it off?</p> <p>21 A. Publishers did not need to use the</p> <p>22 Ad Exchange; so if they were not using the</p> <p>23 Ad Exchange, then that would mean no dynamic</p> <p>24 allocation.</p> <p>25 Q. Sure.</p>	<p style="text-align: right;">147</p> <p>1 certain categories of advertisers were not allowed to</p> <p>2 bid, at that point in time there were generally a lot</p> <p>3 of constraints on when Ad Ex was eligible in DFP.</p> <p>4 Q. Are you familiar with the term "enhanced</p> <p>5 dynamic allocation"?</p> <p>6 A. Yes.</p> <p>7 Q. What was the distinction between enhanced</p> <p>8 dynamic allocation and regular dynamic allocation?</p> <p>9 A. In regular dynamic allocation, there was --</p> <p>10 as I mentioned, there was a lot of deference in the</p> <p>11 ad selection to the needs of reservation line items.</p> <p>12 The ad logic was such that if there was a reservation</p> <p>13 that might even slightly need an ad impression, it</p> <p>14 would get in, and there wouldn't be an auction.</p> <p>15 What people that I worked with identified</p> <p>16 was that, in reality, there were frequently</p> <p>17 opportunities to still meet the commitments of a</p> <p>18 reservation and increase publisher revenue by</p> <p>19 sometimes calling and serving a programmatically bid</p> <p>20 impression if there was enough room in the schedule</p> <p>21 and if the price offered by the programmatic buyer</p> <p>22 was high enough.</p> <p>23 So enhanced dynamic allocation was an</p> <p>24 adjustment to say, "Hey, if there's an attractive</p> <p>25 enough price that's enough higher than your declared</p>
<p style="text-align: right;">146</p> <p>1 For a publisher using the Ad Exchange as one</p> <p>2 of its demand sources, could that publisher turn off</p> <p>3 or disable dynamic allocation?</p> <p>4 A. I don't recall a publisher ever telling us</p> <p>5 they wanted to.</p> <p>6 Q. That's a slightly different answer.</p> <p>7 Do you know if any publishers did turn off</p> <p>8 dynamic allocation?</p> <p>9 A. I can't recall.</p> <p>10 Q. I just want to make sure I understood your</p> <p>11 testimony.</p> <p>12 So because dynamic allocation was part of</p> <p>13 the standard decision logic in DFP, does that mean</p> <p>14 Ad Ex was able to bid on every impression that went</p> <p>15 through the publisher ad server?</p> <p>16 A. No.</p> <p>17 Q. In which situations would Ad Ex not be able</p> <p>18 to bid on an impression?</p> <p>19 A. So for just about any of the considerations</p> <p>20 I mentioned in the ad logic, if it was a sponsorship,</p> <p>21 if there was a reservation, if there was a -- if the</p> <p>22 publisher had not enabled the Ad Exchange to compete,</p> <p>23 if they had put targeting restrictions around which</p> <p>24 portions of their site Ad Ex could be eligible on, if</p> <p>25 they put competitive restrictions in place, if</p>	<p style="text-align: right;">148</p> <p>1 line item price in DFP, and our estimate looking</p> <p>2 forward is that there's plenty of opportunity to meet</p> <p>3 the terms of this deal in the future, we can make you</p> <p>4 more money by serving the programmatic end.</p> <p>5 Q. Did any other ad exchanges use dynamic</p> <p>6 allocation for a DFP publisher?</p> <p>7 A. No, we did not -- we did not build that as a</p> <p>8 public feature.</p> <p>9 Q. The same for enhanced dynamic allocation?</p> <p>10 A. Yes.</p> <p>11 Q. Thinking only of remnant line items, so</p> <p>12 putting aside sponsorship and guarantees, unless a</p> <p>13 publisher entered into DFP rules preventing Ad Ex</p> <p>14 from bidding on that inventory, Ad Ex was able to bid</p> <p>15 on every impression; is that correct?</p> <p>16 A. No.</p> <p>17 Q. Okay. When would Ad Ex not be able to bid?</p> <p>18 A. A publisher had to explicitly set up at</p> <p>19 Ad Ex to be able to compete. It was not on by</p> <p>20 default.</p> <p>21 Q. Okay. Let me try that again so I get it</p> <p>22 right.</p> <p>23 For a publisher that uses Ad Ex and has</p> <p>24 Ad Ex enabled, for remnant line items where the</p> <p>25 publisher has not configured a rule expressly</p>

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1 (Fed. R. Civ. P. 30(f)(1)).

2 Before the completion of the deposition,
3 review of the transcript [X] was [] was not
4 requested. If requested, any changes made by the
5 deponent (and provided to the reporter) during the
6 period allowed, are appended hereto. (Fed. R. Civ.
7 P. 30(e)).

8 In witness whereof, I have hereunto set my
9 hand this day: _____, 2020.

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CODY R. KNACKE, CSR No. 13691

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